GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

STARRED QUESTION NO:73
ANSWERED ON:20.11.2007
PACKAGE FOR COTTAGE INDUSTRIES
Sharma Shri Madan Lal

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Government has any action plan or package for the development of cottage industries in the country;

(b) if so, the details thereof and the funds allocated for the purpose during each of the last three years and in the current year, State-wise; and

(c) the present status of the cottage industry in each State?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHABIR PRASAD)

(a) to (c): A statement has been placed on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO. 73 FOR ANSWER ON 20.11.2007 RAISED BY SHRI MADAN LAL SHARMA

(a): Government in the Ministry of Micro, Small and Medium Enterprises has been implementing the Rural Employment Generation Programme (REGP) since 01 April 1995, through the Khadi and Village Industries Commission (KVIC), for promotion and development of village industries, including cottage industries. Under this Programme, entrepreneurs can establish village/cottage industries, by availing of margin money assistance from the KVIC and loans from any public sector scheduled commercial banks, selected regional rural banks and co-operative banks, etc., for projects with a maximum cost of Rs.25 lakh.

In addition, for promotion of village/cottage industries, the Government provides the following support through the KVIC:

(i) Financial assistance to individual entrepreneurs/institutions is provided for improvement of designs, quality and better packaging of products under Product Development, Design Intervention and Packaging (PRODIP) Scheme.

(ii) Financial assistance to State/Union Territory (UT) Khadi and Village Industries Boards (KVIBs) and other eligible institutions, is provided for setting up Common Facility Centres for providing backward forward linkages and necessary services like raw material support, skill upgradation, quality control, testing facilities, market promotion, design and product development for strengthening rural industry clusters, under the scheme of Rural Industry Service Centres.

(iii) Financial assistance to registered Khadi and Village Industries institutions and State/Union Territory (UT) KVIBs for participating in exhibitions at national, zonal, state and district levels.

Besides, for regeneration of Traditional Industries such as khadi village industries and coir including leather, pottery and other cottage industries, a new scheme titled "Scheme of Fund for Regeneration of Traditional Industries (SFURTI)" has been launched to make to make these industries more productive and competitive and to increase the employment opportunities in the rural areas of the country.

(b) The Union Government does not provide funds directly to the State/UT Governments for promotion of khadi and village industries (including cottage industries). It provides funds to KVIC which releases these funds to its States/UTs Offices according to requirement. The State/UT - wise details of funds allocated by KVIC for the development of village industries including cottage industries during last three years are given at Annex - I.

(c): The State-wise status of village industries including cottage industries in 2006-07 is given at Annex − II.